Budget 2020 - 21 Highlights

The following are the Highlights of Budget 2020-2021.

- **GDP**
  - ✓ Nominal GDP growth for the year 2020-21 estimated at 10%, on the basis of trends available.
  - ✓ Accordingly, receipts for 2020-21 estimated at 22.46 lakh crore, Expenditure at 30.42 lakh crore
  - ✓ Estimate Fiscal deficit at 3.8% and 3.5% for FY20 and FY21 respectively vs previous target of 3.3% and 3.0% of GDP

- **Taxation**
  - ✓ Simplified return for GST will be introduced from April 2020.
  - ✓ New simplified personal income tax regime. No tax for those earning up to Rs 5 lakh.

Earning	Tax Rate
Upto Rs 5 lakh	NIL
Rs 5-7.5 lakh	10%
Rs 7.5-10 lakh	15%
Rs 10-12.5 lakh	20%
Rs 12.5-15 lakh	25%
Above Rs 15 lakh	30%

Reduced personal tax rates for individuals in lieu of forgoing tax deductions. Rs 40,000 cr per annum will be revenue foregone from new income tax rates for individuals.

  - ✓ Dividend Distribution Tax shifted to individuals instead of companies
  - ✓ Concessional tax rate of 15 pc extended to power generation companies
  - ✓ Government has proposed 100 percent tax concession to sovereign wealth funds on investment in infra projects.
  - ✓ Customs duty on imported footwear, furniture hiked
  - ✓ Affordable housing, the deduction of Rs 1,50,000 will be extended to loan sanction by one year.
  - ✓ Tax holiday on profits of developers involved in affordable housing projects will be extended by one year to March 2021.
  - ✓ Concessional 5% withholding tax has been extended to municipal bonds.
  - ✓ Cooperatives are taxed at 30 percent now. Cooperatives can choose a 22 percent tax with 10 percent surcharge and 4 percent cess with no exemptions.

- **Railway**
  - ✓ Indian Railways to set up Kisan Rail in PPP mode for cold supply chain to transport perishable good.
  - ✓ 150 trains will be run in PPP mode.
  - ✓ 4 stations to be redeveloped with help of private sector.
  - ✓ More Tejas type trains will connect tourist destinations.
  - ✓ Proposal for setting up large solar power capacity alongside rail track is under consideration.

- **Agriculture**
  - ✓ Rs.2.83 lakh crore rupees allocated for agriculture and allied activities, irrigation and rural development
  - ✓ Agri credit target set up at Rs 15 lakh cr for FY2020-21.
  - ✓ NABARD refinance scheme will be expanded.
  - ✓ Krishi Udaan will be launched by Civil Aviation Ministry to transport agri-products to national as well as international destinations.
  - ✓ (PM KUSUM) to be expanded to provide 20 lakh farmers in setting up standalone solar pumps

- **Infrastructure**
  - ✓ Government has proposed Rs 3.6 lakh crore towards piped water supply to households.
  - ✓ Allocation for Swachh Bharat for 2020-21 stands at Rs 12,300 crore

- ✓ Delhi-Mumbai Expressway will be completed by 2023; Chennai-Bengaluru Expressway to be launched soon.
- ✓ To augment infrastructure, an accelerated highways development programme will be taken up that includes 9,000 km of economic corridor and 2,500 km of access-controlled highways. Besides, 2,000km each of coastal roads and strategic highways will be constructed
- ✓ Monetization of 12 lots of highway bundles of over 6,000km before 2024
- ✓ 1.7 lakh crore rupees to be provided for transport infrastructure in the coming financial year

- **Education**
  - ✓ Rs 99,300 crore have allocated for education sector,
  - ✓ Rs 3,000 crore for skill development.
  - ✓ New special bridge courses to be designed for teachers, nurses, paramedical staff, caregivers.
  - ✓ 150 higher institutes to start apprentice training for general category students.
  - ✓ 8,000 crore rupees over five years to be provided for quantum technologies and applications

- **Aviation**
  - ✓ Aviation sector gets a boost with 100 more airports and doubling of aircraft fleet.

- **Social Welfare**
  - ✓ Rs 35,600 crore allocated for nutritional related programme in FY21
  - ✓ Rs 28,600 crore allocted for programmes specifically for women.
  - ✓ Proposed Rs 53,700 cr for welfare of schedule tribes
  - ✓ Rs 9,500 cr for senior citizens and divyangs
  - ✓ Rs 85,000 crore allocated for SCs and OBCs in Budget for FY 2020-21.

- **Health**
  - ✓ The Budget provides an additional Rs 69,000 crore for the health sector and proposes to expand Jan Aushadhi Kendras in all districts of the country to provide medicines at affordable rates
  - ✓ Nominal health cess on import of medical equipment to be introduced
  - ✓ PPP hospitals with viability gap funding and encouraging setting up medical colleges
  - ✓ Proposed eradicating TB by 2025

- **Defence**
  - ✓ For modernisation and buying new weapon systems, defence forces allocated Rs 1,10,734 crore, Rs 10,340 crore more than what was provided in last year's Budget

- **Oil & Gas**
  - ✓ National Gas Grid to be expanded from 16,200 km to 27,000 km

- **Start-up**
  - ✓ an eligible startup having a turnover of up to Rs 25 crore is allowed a deduction of 100 percent of its profits for three consecutive assessment years out of seven years, if the total turnover does not exceed Rs 25 crore.

- **Telecom**
  - ✓ Fibre to Home connections under Bharat Net will be provided to 1 lakh gram panchayats this year itself, Rs 6,000 crore provided for Bharat Net

- **Power**
  - ✓ 22,000 crore rupees to be provided to power and renewable energy sector in FY21
  - ✓ Conventional energy meters by pre-paid smart meters in 3 years

- **Financial**
  - ✓ Bank Deposit guarantee raised to Rs 5 lakh from the current Rs 1 lakh
  - ✓ Announces partial stake sale and listing of LIC
  - ✓ Amendments to be made to enable NBFCs to extend invoice financing to MSMEs

- **Other Announcments**
  - ✓ Government has allocated Rs 3,150 crore for the ministry of culture, Rs 2,500 crore for the ministry of tourism.
  - ✓ Modi government has proposed Rs 30,757 cr for Jammu and Kashmir, and Rs 5,958 for Ladakh for fiscal 2020-21.
  - ✓ Rs 100 crore allocated for hosting G-20 Summit.
  - ✓ Rs 27,300 crore provided for development and promotion of industry and commerce.
  - ✓ Turnover threshold for audit raised to Rs 5 Crore from Rs 1 Crore in some cases.

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